



USAID
FROM THE AMERICAN PEOPLE

AGRIFUTURO
Agribusiness Competitiveness

AGRIFUTURO ANNUAL PERFORMANCE MONITORING REPORT 1 OCTOBER 2012 – 30 SEPTEMBER 2013

Contract/Program NO.: EDH-I-00-05-00005-00

Task Order No.: 10



October 2013

This publication was produced by USAID AgriFUTURO for review by the United States Agency for International Development.

USAID AGRIFUTURO PROJECT ANNUAL PERFORMANCE MONITORING REPORT I OCTOBER 2012 – 30 SEPTEMBER 2013

Contract/Program NO.: EDH-I-00-05-00005-00
Task Order No.: 10

Submitted to:
Elsa Mapilele, COR
Agriculture, Trade and Business Office
USAID/ Mozambique

Submitted by:
Abt Associates Inc.

In collaboration with:

CLUSA Lda., TechnoServe and Wingerts Consulting.

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government

TABLE OF CONTENTS

Acronyms	v
1. Introduction	1
1.1 Project objectives	1
1.2 Geographic focus	1
1.3 Key Highlights and Achievements	1
1.4 Project performance indicators	4
2.1 Improve The Enabling Environment For Agribusiness	7
2.2 Expand And Strengthen Agribusiness Development Services	8
3. Key agribusiness grants	17
4. Value chain highlights	18
4.1 soybean Value Chain	18
4.2 Groundnuts value chain	19
4.3 Sesame value chain	19
4.4 Pulses value chain	19
4.1 fruit value chain	19
4.2 cashew Value Chain	20
5. Major implementation issues and lesson learned	21
5.1 Major implementation issues related to m&E:	21
5.2 lessons learned	23

LIST OF TABLES

Table 1. Summary of agrifuturo performance indicators actual vs. Targets, july – september, fy13.....	6
Table 2. Area of production involving ascs and emerging farmers in the beira corridor between july – September, fy13.....	9
Table 4. Area of production involving ascs and emerging farmers in nacala corridor between july–september, fy13	11
Table 5. Emerging farmer activities in nacala corridor july– september, fy13	12
Table 7. Number of foscs and fosc members in nacala corridor during april– june, fy13	13
Table 9. Soybean performance indicators, nacala corridor, july-september, fy13.....	19
Table 10. Quality procedures conducted in nacala corridor during july –september, fy13	21
Table 11. Fy2013 performance indicator table	25

LIST OF FIGURES

Figure 1: Loans Distributed and Committed by corridor	14
---	----

ACRONYMS

ACOF	<i>Agricultura e Comercio de Olinda Fundo</i>
ADM	Archer Daniels Midland
ADRA	Adventist Development and Relief Agency
AFAP	The African Fertilizer and Agribusiness Partnership
AGdPM	<i>AgroPecuaria de Manica</i>
ASC	Agribusiness Service Cluster
ATB	Agriculture Trade and Business
ATM	<i>Autoridade Tributaria de Moçambique</i>
BDS	Business Development Services
BOM	<i>Banco de Oportunidade de Moçambique</i>
CAL	Corredor Agro Lda.
CEPAGRI	<i>Centro de Promoção de Agricultura</i>
CIMMYT	International Maize and Wheat Improvement Center
CISTER	Private Company operating in Nampula and Zambézia Provinces
CKK	Kuguta Kuchanda Cooperative
CLUSA	Cooperative League of the USA
COP	Chief of Party
COR	Contracting Officer's Representative
CSOs	Civil Society Organization
CTA	<i>Confederação das Associações Económicas de Moçambique</i>
CTV	Centro Terra Viva
DCA	Development Credit Authority
DSV	<i>Departamento de Sanidade Vegetal</i>
DUAT	Direito de Uso e Aproveitamento da Terra
EAM	<i>Empreendimentos Agrários de Moçambique</i>
EED	Enabling Environment Director
EF	Emerging Farmers
EU	European Commision
FAO	Food and Agriculture Organization
FDD	Fundo de Desenvolvimento Distrital
FEDAMOZ	<i>Federação de Alto Molocué</i>
FinAgro	Grants program for the Mozambican private sector
FNB	First National Bank
FOSC	Farmer Owned Service Center
FRUTICENTRO	<i>Associação dos Fruticultores do Centro de Moçambique</i>
FRUTINORTE	<i>Associação dos Fruticultores do Norte de Moçambique</i>
FTE	Full time equivalent
FTF	Feed the Future
GAPI	Financial institution
GDAs	Global Development Alliances
GIZ	German International Cooperation
IIAM	Instituto de investigação Agronomica de Moçambique
iDE	International Development Enterprises
IFDC	International Fertilizer Development Center
IITA	International Institute of Tropical Agriculture
IKURU	Private Company
INCAJU	<i>Instituto do Cajú</i>
ISPM	<i>Instituto Superior Politécnico de Moçambique</i>
ITC	<i>Iniciativa de Terras Comunitárias</i>
JICA	Japan International Cooperation Agency
LOP	Life of the Project

MADAL	GRUPO MADAL SARL - is a leading Exporter, Trading Company of Coconut oil, tropical fruit juices, corn flour from Quelimane, Zambezia
MBFI	Mozambique Bio Fuel Industry
M&E	Monitoring and Evaluation
MINAG	<i>Ministério da Agricultura</i>
MYAPs	Title II Multi-Year Assistance Programs
NEPAD	New Partnership for Africa's Development
NGOs	Non-governmental organization
OLAM	Private Company
ORAM	Associação de Ajuda Mútua Rural (Association for Rural Mutual Assistance)
PAMRDC	<i>Plano de Acção Multi-Sectorial para Redução de Desnutrição Crónica</i>
PMP	Project Monitoring Plan
PANNAR	Seed Company
PPP	Public-Private Partnerships
SNV	Netherlands Development Organization
STTA	Short-term Technical Assistance
TNS	TechnoServe
UEM	<i>Universidade Eduardo Mondlane</i>
USAID	United State Agency for International Development
USDA-FAS	Foreign Agricultural Service of United States Department of Agriculture
VCL	Value Chain Leader
WFP	World Food Program

Exchange rate use on October 2013: 1 USD\$ = 30, 00 Meticais MZM

I. INTRODUCTION

Abt Associates, in association with its subcontractors Technoserve (TNS), CLUSA and Wingerts Consulting, is pleased to present this Annual Progress Report for USAID's AgriFUTURO project. The report covers the period October 2012 through September 30, 2013. However, the principal focus of the report is on activities implemented during the period July 2013 through September 2013. As this is an Annual Report, it does include performance indicators for all of FY13.

Life of the project ran from its original period May 1, 2009-February 27, 2013 (three years, ten months) plus an 11-month extension, awarded earlier this calendar year, from March 2013 to January 31, 2014. Total funding with extension is US\$24,291,291.820.

I.1 PROJECT OBJECTIVES

AgriFUTURO's objective is to increase the competitiveness of Mozambique's private agribusiness sector through the development and strengthening of competitive agricultural value chains, and includes four major components:

- Improve the Enabling Environment for Agribusiness;
- Expand and Strengthen Agribusiness Development Services;
- Build Linkages to Financing Services for Agribusiness Development; and
- Increase and Strengthen Public-Private Partnerships (PPPs)

I.2 GEOGRAPHIC FOCUS

Nacala Corridor

Nampula Province: Angoche, Ilha de Mocambique, Moma, Mogovolas, Mogincual, Mossuril, Murrupula, Monapo, Meconta, Nacaroa, Nacala-Velha, Nacala-porto, Ribaue and Nampula Rapale

Zambezia Province: Alto Molocue, Gurué, Mocuba, Nicoadala, Ile, Pebane, Milange and Namarrói, Manganja da Costa e Inhanssuge.

Beira Corridor

Manica Province: Gondola, Manica, Barué, Sussudenga and Mossourize.

Sofala: Gorongoza.

I.3 KEY HIGHLIGHTS AND ACHIEVEMENTS

- **Banana association receives mentoring, assistance with farm design and agricultural innovation:** AgriFUTURO continues to support the Nhambulo association in Catandica in Barué District with 15 farmers working under mentorship of Peter Waziweyi's farm in Manica (see *related success story*, page 29). The association has already identified four hectares to set up individual quarter-hectare production plots. From this base, the producers can easily expand operations in future years. The project has identified a source of good quality planting material, (Glenmorgan farm). The farm layout is being organized by AgriFUTURO, and a micro-jet, gravity-fed irrigation system will be designed and installed shortly. At this follow-up meeting, the presidents of five nearby associations said they want to replicate the initiative.
- **Building relations with Archer Daniels Midland (ADM):** A U.S. agribusiness multinational, which first contacted the project a year ago and which is testing out plans to install up to 1 million ha of production in Mozambique and invest in a network of grain elevators around the country. AgriFUTURO organized a tour for Mr. Moacir Martins of potential growing areas, including to project client Kevin Gifford of ASC-Phoenix. In the near term, ADM plans to identify roughly 50,000 ha for development of commercial farming in grains and oilseeds; directly manage a 2,000-ha farm at the core, which will concentrate on agricultural research and field

training as well as demonstration fields, and: surround this core area with commercial farms averaging several thousand hectares each.

- **Supporting women's participation in the 49th FACIM event:** This event brings in entrepreneurs from across the globe to find market opportunities for exhibitors. AgriFUTURO clients Ms. Judite C. Macuacua Pinto of WISSA and Ms. Maria Nhantumbo of GRAMITER made market linkages with *Moçambique Distribuição e Serviços, Lda.* (Processed soybeans, groundnuts, sesame, and cashew); Sky Business Lda (processed cashew); MEVA Mozambique Lda. (Sesame to export to China). The Ministry of Industry and Commerce recommended that Eng. Aurora Maria Come (*Departamento de Fortificação das farinhas e oleos*) contact Judite Macuacua to discuss applying for IPEME funding for entrepreneurs.
- **Bolstering pineapple production in Zambezia Province:** AgriFUTURO helped finalize business plans for smallholder farmer associations' in Nicoadala District in Zambezia Province so they can produce in the off-season and thus enjoy much higher income per unit produced relative to production in the peak season. This will require an irrigation program, which AgriFUTURO, in partnership with iDE, is helping roll out with a demonstration irrigation plot and assistance to farmers seeking funding for wells.
- **Introducing smallholders to animal traction to expand cultivated areas:** This July 2013 workshop at the *Instituto Superior Politécnico de Manica* in Chimoio City, Manica Province, was led by AgriFUTURO and the NGO Tillers International. Attended by 13 people, including AgriFUTURO field staff and project clients from Manica and Nampula provinces, the workshop covered proper handling of animals (donkeys and oxen), for harnessing, plowing, transporting, and the wide variety of field implements used around the world for animal traction. Follow-up will include demonstrations in provinces for interested clients and links to commercial finance for those seeking to buy an animal.
- **Agribusiness Investors Conference:** AgriFUTURO, along with over 400 representatives of government, NGOs and the private sector, attended the Manica Agribusiness Investors Conference, organized by the Manica provincial government and held in Chimoio City on August 22-23. The conference aimed to promote public-private partnerships for investment, plot ways to develop agribusiness sector within the province, and share and disseminate the strategic plan for agribusiness development.
- **The African Fertilizer and Agribusiness Partnership (AFAP) partners visited AgriFUTURO clients in Gurué District of Zambezia:** AFAP is a global initiative that facilitates exchange of information on soil fertility, fertilizers, and good agricultural practices in Africa. It is led by IFDC, in partnership with the International Fertilizer Industry Association, the FAO through its Country STAT program, the African Union Commission and its NEPAD Planning and Coordination Agency.
- **Facilitating Mozambique's presence in gender study by the FAO/Gender and Land Project:** This activity researches best practice for inclusion of small farmers in private investment to promote responsible agricultural investments that improve food security. It has recently added Mozambique to its studies from Tanzania, Ghana, Zambia, Sierra Leone, the Philippines and Laos on how private investment affects employment and income-generating activities, access, control and use of land by men and women in order to identify best practices, strategies and business models that promote gender equality. AgriFUTURO facilitated interviews with private actors, NGOs and CSOs that deal with the land issues, as well as donors and development agencies. Three studies were done in Manica (Vanduzi Company), at Rei de Agro in Zambezia and in Gaza Province.
- **USAID visits pioneering project clients:** USAID's Deputy Mission Director visited AgriFUTURO clients in Zambezia Province: Mozambique Bio Fuel Industries Ltd (MBFI) and Agro-Pecuaria de Olinda Fondo (ACOF). AgriFUTURO is helping MBFI introduce the MD2 pineapple variety which they plan to use for production of bio-ethanol. Project assistance has

included programming planting material as well as a small volume of the local clone “abacaxi” from local producer, and training in cultivation of pineapples, including access to training in Honduras and Costa Rica. ACOF works with smallholders supporting the production of groundnuts, sesame, and soybeans. AgriFUTURO has linked them to *Banco Terra* for a trading loan to commercialize agricultural products, and helped them find funding for construction of a seed processing plant and a warehouse.

- **Planned launch of a multi-sectorial effort to reduce chronic malnutrition:** AgriFUTURO is part of a technical group that revised the *Plano de Acção Multi-Sectorial para Redução de Desnutrição Crónica* (PAMRDC) and started preparing a baseline study on food security to be implemented at month’s end.
- **AgriFUTURO final gender assessment presented to USAID:** Various recommendations of this assessment were divided into two areas.

Programmatic and activity level:

- Address inclusive policies: Farmers associations and cooperatives have historically been dominated by men, so an equitable membership policy is needed to ensure women’s presence in management positions. Future projects should increase the number of female entrepreneurs involved and benefitting from the project, expanding upon AgriFUTURO’s work with Wissa and Gramiter as well as with Nossara women’s cooperative.
- Address inclusive value chains: Women play a large role within various value chains, such as cassava and maize. By focusing support on a mix of crops, household food security is better served. AgriFUTURO’s introduction of animal traction, especially donkeys, is an interesting way to reduce women’s work burden.
- Address land issues: Future projects can support organizations that widen women’s access to DUAT—such as Clusa, ITC, ORAM, CTV, Forum Terra and Forum Mulher—which advocate for both individual access and joint titling. The project can also contribute to mass information dissemination.
- Address women’s education: Reinforce partnerships with adult education projects and savings groups and propose agribusiness information to be included.

Project organization level:

- Address internal expertise: Capitalize upon AgriFUTURO’s consortium experience in gender equity and female empowerment strategies.
- Address gender as a component: Future projects should have a specific gender component for the first two years with a clear objective to support the leadership, technical and administrative staff to develop policies, strategies and capacity to further gender equity and female empowerment throughout the project and beyond.
- Address importance of a baseline: To enhance internal knowledge and create a point of departure for the new project, start with a baseline study as well as a program-wide and value chain-specific gender analysis. To inform decision-making and strategy development, this analysis should be reviewed regularly by all staff before each new strategic intervention.
- Address the use of various methods to show gender relevancy: quantitative data collection, qualitative and participatory monitoring tools like participatory multi- stakeholder platforms. Most significant change stories should also be considered.

I.4 PROJECT PERFORMANCE INDICATORS

- **Private investment mobilized:**

In FY13 (Year 5 of AgriFUTURO), annual private investment generated by the project was US\$6,269,920, or 31% of the target. Major investments including ASC–Dengo Comercial’s warehouse construction in Beira Corridor (US\$614,500), and in Nacala Corridor, IKURU’s purchase of machinery for cleaning and packaging grains, particularly groundnuts (US\$2,790,000) and additional investments in the groundnut value chain (US\$658,200). Other investments went to purchase of multi-cultivators and metallic silos to store sesame, while CAL in Nampula purchased threshing machines to facilitate harvesting and post-harvest activities of soybeans and sesame.

In Beira Corridor, expected investments by Olam and Sunsmile failed to transpire, while in Nacala Corridor, it was not possible to capture all the information from the project clients.

- **New jobs created:**

In FY13, the project created or maintained 7,842 jobs, or 26% of the target goal, mostly within the cashew and banana value chains in Nacala Corridor, including marketing activities of farmers associations in Nampula and Zambezia Provinces. Of the total employees in the assisted enterprises, about 37% were women, employed mainly in the cashew value chain.

The change in the methodology for collecting the jobs data halfway through the fiscal year creates questions about the contiguousness of the data reported and particularly in comparison to the data reported in previous years (ADS 203.3.5.1d: “Data should reflect stable and consistent data collection processes and analysis methods from over time.”). Using the snapshot procedure adopted for the first and second quarters, the total for the fiscal year could easily have exceeded the total for the previous year. The change in data reporting methods has made some data indicators incompatible.

- **Exports:**

Total international exports generated by AgriFUTURO in FY13 were US\$29,908,742 or 66% of the target goal. Banana exports of 7,229 tons were reported by only two companies, Jacaranda and Matanuska. Sesame yields were afflicted by the flea beetle, and groundnut and other crops—several of which are new, such as pigeon peas—also reported low production and thus export figures. The shining exception was cashew, which reached 201% of its annual target, including IKURU’s export of 40 tons of cashew nuts to Norway and 80 tons of groundnuts to the Netherlands worth US\$436,120. Meanwhile, CAL and Export Marketing are still establishing contacts within South Africa and Zimbabwe to sell sesame purchased from producer associations linked to cooperatives.

- **Rural households:**

A total of 48,709 households received assistance and benefited from AgriFUTURO activities, or 36% of the total indicator target. The majorities of these households are members of farmers’ organizations, but also include householders working at private companies assisted by the project. The snapshots that were used to collect data on total rural households benefited did not survey the households that benefited under the value chains and in the geographic areas that were eliminated from the program at the start of FY2012. The data from this prior investment had been included in the previous reporting and was used as a basis in estimating targets. Again, the change of methodology affects the reliability of the results reported. We highlight that the number of new rural households that benefited in FY2013 was 131% of the target.

- **Value of sales:**

Farm gate sales exceeded US\$25 million or 109% of the annual target, mainly due to sky-high cashew exports linked to producer organizations. Main buyers in Nacala Corridor were Gani commercial, OLAM, Export Marketing, and IKURU. Average prices for other projects were 22 Mts/kg for groundnuts, 45-50 Mts/kg for sesame, 18 Mts/kg for soybean and 8 Mts/kg for

cowpeas.

- **Firms and producer organizations assisted:**

AgriFUTURO provided business development services to 1,483 enterprises, or 31% of the target, due to the loss of emerging farmers and farmer organizations, one of the key reasons for the decrease in number of members and associations assisted is directly related to the termination of MYAP programs which have collaborating with the AgriFUTURO Program. The number of processors receiving services remained steady, while the number of input suppliers grew exponentially.

- **Value of agricultural and rural loans:**

In FY 13, AgriFUTURO facilitated agricultural and rural loans of US\$1,010,418, or 31% of the target indicator. Of these, 45% were not backed by a DCA, indicating a growing relationship between loan recipients and financiers, while overall, formal lending (DCA and non-) performed well this year due to the AgroCredito initiative, building on the promotion by the project since April 2013 (see section 2.3 for more detail). In Nacala corridor, Gani Comercial, IKURU and other local traders advanced funds to producer associations for marketing activities.

- **New technologies (indicators for # of hectares, # of organizations, and # of farmers):**

The total area using new technologies or management practices was not reported for Q1 and Q2, because during those quarters, the methodology used was collection of new areas. In Q3 and Q4, the methodology changed, and a snapshot was taken. Comparing categories of technologies, the most commonly used by project clients are: improved seeds (14,272 ha), mechanization (3,608 ha), and inoculants (1,410 ha) for soybean production. The total number of farmer organizations using these technologies dropped in FY13, while the number of processors and input suppliers grew or remained steady.

- **Members of cooperatives and producer organizations:**

In both corridors AgriFUTURO provided technical assistance to approximately 47,328 members of farmer association, of which about 41% were women, as well as to 20,869 members from legalized cooperatives/associations.

- **Number of policies, regulations and administrative procedures:**

Fruit fly mitigation activities continue, and AgriFUTURO is helping with management of funds.

TABLE 1. SUMMARY OF AGRIFUTURO PERFORMANCE INDICATORS ACTUAL VS. TARGETS, JULY –SEPTEMBER, FY13

Performance Indicator		FY13					Total FY13
		Target FY13	Oct - Dec	Jan-Mar	Apr -Jun	Jul - Sep	
Private Investment Mobilized		\$20,051,000	\$599,980	\$2,958,413.80	\$4,702,249	\$1,567,671	\$6,269,920
New jobs Created		29,743	1,003	536	3,222	3,081	7,842
Value of Targeted Exports	International	\$45,111,000	\$5,036,406	\$1,108,406	\$13,179,282	\$10,626,874	\$29,908,742
	Regional	\$2,540,000	\$22,413	\$0	\$861,500	\$148,200	\$1,032,113
Rural Households Benefitted		135,457	NA	45,317	47,985	48,709	48,709
Value of Incremental Sales		\$25,294,053	\$408,251.49	\$39,655	\$4,408,964	\$3,742,345	\$27,551,265
Firms and Producer Organizations Assisted		4,790	NA	NA	1,469	1,483	1,483
Value of Agricultural and Rural Loans		\$3,239,616	\$450,500	\$217,744	\$320,992	\$21,182	\$1,010,418
Number of PPPs Established		4	1	1	1	0	3
# of Hectares under Improved Technologies or Management Practices		50,800	NA	NA	14,272	14,272	14,272
# of Private Enterprises or Producer Organizations Applying New Technologies		4,770	3,043	4,815	1,327	1,327	1,327
# of Farmers and Others Who Have Applied New Technologies/Management Practices		125,006	NA	NA	52,628	45,362	52,628
Members of Legalized Cooperatives and Farmer Associations		33,000	NA	NA	20,687	20,869	20,869
# of Policies, Regulations, Administrative Procedures	Analyzed	4	0	0	0	0	0
	Consultations	2	0	0	0	0	0
	Proposed	2	0	0	0	0	0
	Approved	2	0	0	0	0	0
	Implemented	4	0	0	0	0	0

Source: AgriFUTURO, October 2013.

2. AGRIFUTURO COMPONENTS AND FY13 ACTIVITIES

2.1 IMPROVE THE ENABLING ENVIRONMENT FOR AGRIBUSINESS

During FY 2013, AgriFUTURO focused on developing stakeholder advocacy capacity, completing policy analytical work and facilitating reform agendas among the project's target value chains. The project engaged heavily on non-tariff barriers for agricultural trade, leading to an easing of export bans of Mozambican mangos and bananas to South African and Zimbabwean markets. AgriFUTURO also has addressed issues related to domestic barriers preventing mangos and bananas from the Central region of Mozambique (Manica Province) to be shipped to the south of Mozambique (alternative markets). Specific activities included in AgriFUTURO's Enabling Environment are:

Activity 1.1: Develop a stakeholder base for change;

Activity 1.2: Develop a national competitiveness strategy; and,

Activity 1.3: Develop a national competitiveness reform agenda.

Activity 1: Develop a Stakeholder Base for Change

- FrutiCentro held its monthly field day in Manica Province and visited Monty Hunter's farm to hear a presentation by an internationally renowned litchi export.
- With AgriFUTURO organizational support, the monthly meeting of the "Agribusiness Working Group" was held in Maputo, at the European Union Headquarters.
- Following up on the creation of FrutiNorte, CEPAGRI in Nampula City is continuing efforts to form the group. AgriFUTURO has been asked to fund a visit to Nampula by senior officials of FrutiCentro to exchange experiences on the formation process.
- To support conversion of associations into cooperatives in partnership with ADRA, AgriFUTURO visited the groups to assess their status. A common problem was the lack of support to finalize the legal process, including publication at the official Government Gazette, public registration, final registration, business registration, and permit to work as a cooperative. These steps are time-consuming, and most of them require travel to the provincial capital which makes it more difficult and costly for the members. In addition, each cooperative must pay 17,000 Mts to complete the legalization process, this is a normal fee. This is an enabling environment constraint to business development for smallholder farmers. Normally a cooperative has 15 members, with five the minimum stated by the new cooperative law. In best scenario if the cooperative has 15 members each is supposed to pay more than 1,000 Mts if we divide the 17,000 Mts by all members. This is a challenge that the next project need to address if is to enable business of these associations.

Activity 2: Develop a National Competitiveness Strategy

Agribusiness Working Group Activities: AgriFUTURO teamed with SNV to launch the Agribusiness Working Group, which has since drawn members from USAID, GIZ, JICA, NGOs and private sector and the support of the Canadian High Commission and the European Union (EU) to provide a forum for those interested in the economic development of the agribusiness sector of the country. At monthly meetings, the group discusses relevant topics, such as project design, transaction costs, and the enabling environment. Past agendas have included the following themes:

- Optimal size or scale for development farms
- Encouragement of the use of drip and micro-jet irrigation systems (iDE)
- Problems with agriculture financing in Mozambique
- IFDC's experience with promotion of agro-dealer networks;
- The Monitor Group/Deloitte program in Mozambique – proposals, contacts, initiatives

- The ProSavana program—a work in progress
- Problem of side selling and suggested ways to overcome it
- Training smallholder farmer groups in the use and maintenance of agricultural equipment
- From AgCLIR: logistics, transaction costs, roads, export taxes, finance, availability of funding.

Activity 3: Develop a National Competitiveness Reform Agenda

- **Progress on aflatoxin mitigation:**

The International Institute of Tropical Agriculture (IITA) recently signed a grant agreement with USAID/Mozambique for mitigation of aflatoxin with bio-control in groundnut and maize. This initiative, the Aflasafe/IITA program—which AgriFUTURO helped introduce to Mozambique—is partially funded by USDA-FAS. It will identify widely distributed Mozambican aflatoxin-nonproducing (atoxigenic) strains of *Aspergillus flavus* that, when applied to groundnut (and maize) fields, can competitively exclude the aflatoxin-producing (toxigenic) strains. Selected atoxigenic strains will then be used to develop a bio-control product (Aflasafe) to substantially decrease aflatoxin accumulation in these crops and improve farmer income and food safety. Most activities will be carried out along the Nacala Corridor, as well as Zambezia Province. AgriFUTURO continues to link the IITA with relevant private sector contacts.

- **Progress on the invasive fruit fly:**

- Surveillance and monitoring activity continues in Manica Province.
- Additional fruit farms (banana and mango) are applying for special access to the South African Market, a precedent having been set by Pinto Matavel and EAM.
- Under the USDA funds for the fruit fly project, activities are still ongoing, particularly in Manica Province, including preliminary organizing activities related to the National Workshop to be held in Chimoio in November 2013.

2.2 EXPAND AND STRENGTHEN AGRIBUSINESS DEVELOPMENT SERVICES

Activity 1: Develop Value Chain-Focused and, Private Sector-Run Agribusiness Service Clusters (ASC)

Beira Corridor

- ASC-Sementes Nzara Yapera will soon have a seed processing unit to mechanize the cleaning and selecting process presently done by hand. AgriFUTURO supported this ASC to have power poles installed by Electricidade de Moçambique, and electric cables will be purchased in Beira.
- The AgriFUTURO ASC-Sementes Nzara Yapera continues with shelling and cleaning of maize to be sold to MozSeeds. To date, 16 tons have been sold at 14 Mts/kg.
- AgriFUTURO supported participation of the ASC-Sementes Nzara Yapera in a training workshop on seed production and processing in Chimoio City, hosted by the *Instituto de Investigação Agronómica de Moçambique* (IIAM) with International Maize and Wheat Improvement Center (CIMMYT) from Zimbabwe. The training will benefit the ASC as it starts to operate the seed processing unit awarded by the AgriFUTURO project.
- ASC-Sementes Nzara Yapera met with Mozambique Sustainable Irrigation Development Project (PROIRRI) to discuss producing and irrigating common beans under the emerging farmers' approach.

- ASC Sementes Nzara Yapera has electricity and soon starts operations. The ASC Agropecuaria de Manica also has electricity and can commence preliminary processing with every expectation of supplying the maize and soybean market in Manica, and becoming a source of highly nutritious snack food for the retail market and for such institutional use as school lunch programs.

TABLE 2. AREA OF PRODUCTION INVOLVING ASCS AND EMERGING FARMERS IN THE BEIRA CORRIDOR BETWEEN JULY – SEPTEMBER, FY13

Name of the ASC	EF Sex		Production Area (Hectares)					
	M	F	Maize	Soybeans	Sesame	Groundnuts	Beans	Total
Phoenix	8	1	108.5	268	5	0	33	414.5
Agro-Pecuaria de Manica	46	11	62.9	93.8	0	0	0	156.7
Sementes NZY	52	4	185	0	2	0	11	198
Siwama	7	2	0	43	0	0	0	43
Njerenje	16	0	49.5	31	0	0	15	95.5
Total	129	18	405.9	435.8	7	0	59	907.7

Source: AgriFUTURO, October 2013

Emerging Farmers Activities:

AgriFUTURO helped emerging farmer clients prepare business plans to acquire working capital financing for activities shown in Table 3:

TABLE 3. EMERGING FARMERS ACTIVITIES IN BEIRA CORRIDOR JULY - SEPTEMBER, FY13

Farmers	Soy	Maize	Beans)	Sesame
Cultivated area (ha)	435.8	405.9	59	7
Real production (tons)	522.9	608.8	48.6	2.4
Market	Abilio Antunes	MOZ SEED	MOZSEED	SENWES
	Higest	Dengo Comercial		
	SENWES, TNS, Phoenix Seed	SENWES		
		DECA, PMA and PANNAR		
Price agreed in purchase contract (Mts/kg)	12-17 Mts/kg (grains) 25 Mts/kg (for seeds)	5-10.5 Mts/kg (grains) 13 Mts/kg (seeds)	15-25 Mts/kg	35-45 Mts/kg

Source: AgriFUTURO, October 2013. Beans included are: cowpeas, pigeon peas and common beans

Nacala Corridor

For the agricultural year 2012/13, the most relevant crops produced and their areas are presented in Table 3. In total, ASCs within this corridor farmed 6,314 ha, involving nearly 6,049 producers, with soybean the most important crop at 3,235 ha followed by sesame at 1,784 ha, then groundnuts with 1,039 ha. Common beans are being promoted by the company CISTER, which exports to Portugal for the food can industry.

Grants awarded this year greatly impacted agricultural production and expanded grantees' business:

- **ASC-Olinotu:** In Q1 of FY13 a grant of US\$67,577 was awarded to purchase agriculture equipment that included two tractors John Deere 5503 /5403, with their implementers. Olinotu, with the equipment and tractors have expanded its own areas of production and its members as follow: 264 ha of sesame, 682 ha of groundnuts, 182 ha of cowpea beans, having achieved a value of sales of US\$ 44,414 during Q4 of the FY13.
- **ASC-Wissa:** Awarded grant of US\$ 7,000 in Q2 of the FY13 and in Q3 launched its post sales of processed foods derived from beans, cassava and others. Wissa's owner, Judite Macuacua, invited the COP of the AgriFUTURO Project to preside over the inauguration ceremony for its new canteen.
- **ASC-Madal:** 37 tons of groundnuts this quarter—and 737 tons in FY13—exported to South Africa, made possible because AgriFUTURO linked MADAL to associations working with ADRA and PFARMS. Additionally, MADAL processed 240 tons of groundnuts at their facility in Quelimane that was sold to Maputo clients.

TABLE 4. AREA OF PRODUCTION INVOLVING ASCS AND EMERGING FARMERS IN NACALA CORRIDOR BETWEEN JULY–SEPTEMBER, FY13

Name of the ASC	Sex of producers			Production Area (Hectares)					
	M	F	Total	Soybeans	Sesame	Groundnuts	Cowpea beans	Common beans	Total of ha
Nampula Province:									
1.Olinotu	1,226	617	1,843	0	264	682	182	NA	1,128
2.CAL	495	29	594	517	833	0	0		1,350
3.CISTER (Rapale)	846	354	1,200	0	0	133	50		183
4.WISSA	56	24	80	50	0	0	0		50
5.Lozan Farm (Malema)	10	1	11	0	0	10	0		10
Total - Nampula	2,633	1,036	3,728	567	1,097	825	232		2,721
Zambezia Province:									
6.Africa Century	370	580	950	1,300	0	0	NA	0	1,300
7.Rei de Agro	56	4	60	950	0	0		0	950
8.ACOF	250	76	326	0	92	200		0	292
9.MADAL	452	109	561	0	594	14		0	608
10.CISTER (A. Molocue)	12	4	16	0	0	0		25	25
11.Lozan Farm (A Molocue)	326	82	408	418	0	0		0	418
Total - Zambezia	1,466	855	2,321	2,668	686	214		25	3,593

Source: AgriFUTURO, October 2013

Emerging Farmer Activities:

- Eighty-two emerging farmers continue to work with Corredor Agro (CAL) on production of sesame in Monapo District and soybeans in Ribaué District in Nampula Province. CAL provided technical assistance to assure quality produce and also buys production. For sesame, Japan is the preferred destination, and soybeans sell domestically given the great demand for this product. Farmers appreciate signing an advance purchase contract so they can plan production. Table 5 summarizes the results of emerging farmer's working with CAL in Nampula Province.

TABLE 5. EMERGING FARMER ACTIVITIES IN NACALA CORRIDOR JULY– SEPTEMBER, FY13

Items:	Soy	Sesame
Cultivated area (ha)	218	214
Real Production (tons)	209	51
Price agreed in purchase contract (Mts/kg)	18	45
Market	CAL	CAL

Source: AgriFUTURO, October 2013

Activity 2: Rollout and Expand Farmer Owned Service Centers (FOSCs)

Beira Corridor

This year, this corridor registered a significant increase in the number of member of associations as the benefits of selling as groups became clear, including easier credit and definition of new strategies. During this quarter, 6,875 people—of which 1,577 are women—were represented in 188 clubs/associations (see Table 6).

TABLE 6. NUMBER OF FOSC AND FOSC MEMBERS, IN BEIRA CORRIDOR DURING JULY - SEPTEMBER, FY13

Name of the FOSC	Member Sex		Total	# Associations/clubs
	M	F		
Barué/Manica	3,792	988	4,780	113
Dombe	642	419	1,061	36
Mossurize	864	170	1,034	39
Total	5,298	1,577	6,875	188

Source: AgriFUTURO, October, 2013

- The Mossurize FOSC (33 members) manages funds received from District Development Funds (FDD) as a result of the training provided by the AgriFUTURO Project.
- After AgriFUTURO facilitated the legalization process, a group of out-growers working within the ASC *Agro-Pecuária de Manica* became a smallholder association.
- AgriFUTURO facilitated links with the buyer SENWES, a local buyer of agricultural commodities, which made the following purchases:
 - Thirty tons of soybeans from two associations (Samora Machel and Culima Cuacanaca) of Barue District, in Manica Province, which received a price of 16 Mts/kg against 13 Mts/kg paid outside of the associations.
 - Thirty-two tons of soybeans purchased from Kugarike Tangué Nhamo Association in Manica District. This association has 244 members, of which 57 are women.

- Fifty-seven tons of soybeans from the SIWAMA association for 798.000 Mts (US\$25,000).
- AgriFUTURO facilitated price negotiations between the World Food Programme (WFP) and producer associations:
 - Fifty-seven tons of soybeans from the SIWAMA association for 798.000 Mts (US\$25,000).
 - Samora Machel Association signed a contract to deliver 110 tons of maize.
 - Culima Cuacanaca Association signed a contract to deliver 120 tons of maize.
 - Kuguta Kuchanda Cooperative accumulated approximately 120 tons of maize from its members and received US\$23,225 from the WFP.
- Kuguta Kuchanda Cooperative sold nearly 31 tons of sesame worth US\$22,000.
- AgriFUTURO facilitated the process for a new association to be part of the Kuguta Kuchanda Cooperative. The new association has 29 members (including 16 women), making a total of 31 associations working with this cooperative.
- As a result of AgriFUTURO assistance, the Kuguta Kuchanda-Dombe Cooperative and Agro-Pecuaría Samora Machel Association from Barué District were able to test the quality of maize samples at Intertek-International certified network of testing laboratories.
- AgriFUTURO with partners the World Food Programme and BOM bank organized a training for women on funds management, including women's associations from Manica and Tete. Under this program, pre-selected female farmers will receive 227 bicycles with capacity to transport a 50-kg bag and 24 cows for animal traction. Beneficiaries will organize a revolving fund with a share of 50% of the value of the bicycle or cow received.

Nacala Corridor

During this quarter, AgriFUTURO assisted 36,727 members, including 13,157 women, from 1,080 associations as shown in Table 7.

TABLE 7. NUMBER OF FOSCS AND FOSC MEMBERS IN NACALA CORRIDOR DURING APRIL– JUNE, FY13

Name of the FOSC	Sex		Total	# Associations
	M	F		
Nampula Province:				
SANA Associations	11,622	8,126	19,748	721
SANA Cooperatives	243	59	302	17
IKURU	2,889	1,573	4,462	133
Total - Nampula	14,754	9,758	24,512	871
Zambezia Province:				
ADRA Associations	1,872	1,479	3,351	11
FedaMoz	869	359	1,228	55
Associações da Alta Zambezia (which includes Prosoja that become Promac Associations)	6,020	1,535	7,555	140
Nicoadala-WV Associations	55	26	81	3
Total- Zambezia	8,816	3,399	12,215	209
Total	23,570	13,157	36,727	1,080

Source: AgriFUTURO, October 2013

- FOSCs in Zambezia Province participated actively in marketing activities, assisted by AgriFUTURO: Pigeon peas were marketed by FEDAMOZA (170 tons) and ACOF (90 tons) and 108 tons of soybeans were sold by Africa Century. The associations of Zambeze Valley sold the largest amount of pigeon peas (4,260 tons).
- AgriFUTURO assessed a total of 67 potential proposals for the introduction of advanced agricultural technologies to benefit ASC's and FOSCs in Zambezia Province, based on their basic knowledge and financial strengths.
- IKURU was awarded a US\$17,000 grant to complete the floor of the warehouse and construct the office. IKURU will now be able to install cleaning equipment already purchased and increase its capacity to process more than 50 tons per day.

ACTIVITY 3: BUILD THE CAPACITY OF SERVICE PROVIDERS IN THE TARGET VALUE CHAINS

Beira Corridor

- AgriFUTURO teamed with Afritoool, a distributor of good-quality agricultural tools to train smallholders in Manica Province on the use of multi-cultivators. Members of Agro-Pecuária Samora Machel, SIWAMA association and ASC-Sementes Nzara Yapera—totaling 64 farmers, including 21 women—attended, many of whom showed interest in acquiring multi-cultivators.

Nacala Corridor

- AgriFUTURO funded two Afritoool trainings, which introduced 52 smallholders to use of multi-cultivators to expand farms in Nampula Province.
- In Zambezia Province, training on land preparation was held for 31 members of FEDAMOZ, Forums of Tetete, Napalame and Molumbo, ESPANOR Cooperative and producer groups working with Lozane Farms, CISTER, and ACOF. AgriFUTURO will link Afritoool with interested producers and facilitate financial support through the AgroCredito program.

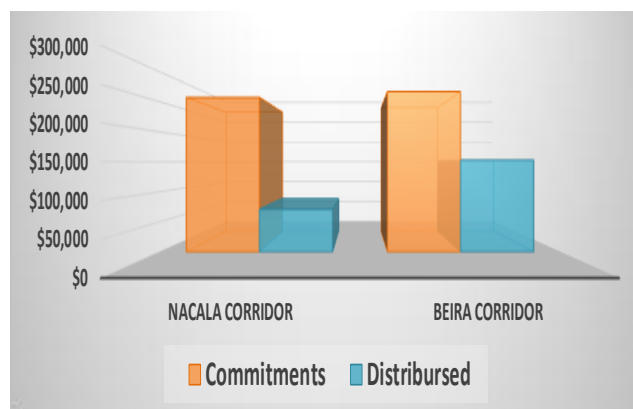
2.3 HELP AGRIBUSINESS FIRMS ACCESS FINANCING

Activity 1: Help Agribusiness Firms Access Financing

AgriFUTURO is consolidating its *AgroCredito* program, created to generate agribusiness liquidity for small and medium traders, cooperatives, producer associations, retailers, and anchor farms—the principal buyers that deal with smallholder commercial/emerging farmers. Since its launch, 18 proposals have been designed, and the project has assisted project clients and potential clients in preparing bank documents for loan proposals. The average loan is projected to purchase three times its value, effectively lowering the cost of the loan.

Under the *AgroCredito* initiative, AgriFUTURO is partnering with *Banco Oportunidade de Mocambique* (BOM) and *Banco Terra*, the recipient banks of USAID's DCA program. The two banks agreed to act as principal financiers for small and medium trading companies, including farmers' cooperatives and associations. Specifically, BOM proposed to handle the majority of the smaller loans (\$5,000 or less) while *Banco Terra* expressed interest in larger loans. Figure 1 presents the number of proposals per financial entity submitted with the project assistance. Since its beginnings, *AgroCredito* has become a significant component of AgriFUTURO. Through August, 62 potential trader/clients have been assisted in preparing bank

FIGURE 1: LOANS DISTRIBUTED AND COMMITTED BY CORRIDOR



documents for loan proposals totaling 36,000,000 Mts (US\$1,200,000). These traders, if funded, will buy from an estimated 17,776 farmers, cultivating 8,808 hectares. Seventeen of these trader/clients have already received loans totalling 7,495,400 Mts (US\$250,000) and are estimating farmer purchases of 22,354,236 Mt (US\$745,142).

AgroCredito has subsequently added other components to its program, including USAID's FinAgro grants program, currently preparing nine candidates from AgriFUTURO's grants pipeline to apply for grants. Additionally, GAPI, PRSP II, SENWES, and FDD, all of which promote agro-commodity trading, are now part of AgroCredito's portfolio of financial institutions available to our beneficiaries. AgroCredito and other project financing initiatives by corridor follow:

Beira Corridor

- This month a group of six AgriFUTURO clients from the Cufumira Club (Kugarike Tangué Nhamo Association) of Mavonde, Manica Province, were introduced to AgroCredito, and through *Banco de Oportunidade de Moçambique* (BOM) they received 247,000 Mts (US\$8,297).

Nacala Corridor

- FEDAMAZ received a loan of US\$12,000 (371,000 Mts) from Bank BOM to support marketing activities under the contract with World Food Programme. BOM already disbursed US\$6,000 (180,000 Mts) and will distribute the remainder when FEDAMAZ has concentrated at least 18 tons of maize in their warehouse. The federation agreed to supply 60 tons of maize to WFP.
- The list of AgroCredito applicants from Gurue was updated for ESPANOR Cooperative that presented the needs of its members for the 2013-2014 agricultural season.
- In Zambezia Province: ACOF received 15,000,000 Mts (US\$50,000) as a trade loan; return capital plus interest will total 1,600,000 Mts (US\$53,333). The first installment of 400,000 Mts (US\$13,333) was paid September 7.
- AgriFUTURO supported Hurly Horticultural Management in seeking a farm of 1,200-1,500 ha to establish a macadamia plantation, a US\$20 million investment. The team facilitated contact with the director of SPGC Zambezia and administrator of the Gurue District.
- In July, AgriFUTURO met with Monitor/Deloitte and facilitated contact with the Director of SPGC Zambezia to proceed with Cargill's application for 15,000 ha.
- AgriFUTURO met the operational team of the "*Programa de Relançamento do Sector Privado* (PRSP II) Project in Zambezia, an initiative of the Government of Mozambique funded by the Italian government to promote agribusiness in the provinces of Manica, Sofala and Zambezia to facilitate expansion of PRSP II funding of the Nicoadala Pineapple operations.
- The project supported completion of the loan process for ACOF (Olinda Fundo) with Banco Terra.

Other loan facilitation activities

- AgriFUTURO supported post-graduate training in practical farming from Kota Benade of Centro Educacional Njerenje, who originally received equipment from AgriFUTURO in exchange for providing services to out-growers and training post-graduates from the ISPM program. Thanks to funding from the Mozambican GAPI banking organization (an AgriFUTURO linkage), Mr. Benade is reporting satisfactory increase of his support program to students and to 52 out-growers for the coming season.
- AgriFUTURO is discussing a new partnership with GAPI, a Mozambican financial institution, backed by the Bank of Mozambique, to support the AgroCredito initiative. GAPI supports emerging producers and projects that are economically viable. Its interest rates vary between 14-22% depending on the type of warranties offered—lower than the usual commercial rates in Mozambique of 25-39%.

Leveraging finance

- AgriFUTURO supports the Pro-Savana (PDIF) Project, a partnership between the Ministry of Agriculture, GAPI-SI and JICA, which is testing models to support rural communities and small agribusinesses in the Nacala Corridor. To implement the initiative, a development fund was created with initial capital of 21.5 million Mts to finance small and medium enterprises in Mozambique. Another financing cycle opened on August 15; the maximum amount of funding is 3,000,000 Mts with 10% interest rates for one to three years. AgriFUTURO shared the opportunity with its clients and will support the business plan design.
- Meeting with First National Bank (FNB) manager in Chimoio to explore methods to attract additional customers to the AgroCredito program, a financial program launched by AgriFUTURO. The manager of FNB welcomed the initiative and joint visits were scheduled with potential customers.

2.4 INCREASE AND STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

Over the course of the quarter, assistance was given to a number of potential investors and to other donor programs, including:

- **Partnership facilitated between AgriFUTURO client and Brazil-Japan-Mozambique initiative:** CAL and two cooperatives from Monapo District (Netia Moreno and Ossukana) met with ProSavana to explain CAL's model of production while working with smallholders in Monapo in Nampula Province. ProSavana is a joint initiative by the governments of Brazil, Japan and Mozambique to establish a large-scale agribusiness project in Northern Mozambique, making 14 million hectares of land available for production of soya, maize and other commodity crops. This visit resulted in a partnership between ProSavana and CAL and the two cooperatives.
- **AgriFUTURO is linking project clients to a new agribusiness project in Manica Province:** Funded by the Embassy of Denmark and implemented by GAPI and the Mozambican Government represented by CEPAGRI/MINAG. This five-year, US\$35.6 million initiative is intended to enhance the financial capacity of small and medium enterprises, business association and cooperatives through soft loans up to US\$32,000 with annual interest rates of 10-12%, which will benefit clients enrolled in the AgroCredito program.
- **AgriFUTURO linked the new International Fertilizer Development Center (IFDC) Program 2SCALE with project clients:** Nossara and Capeme cooperatives and the Cresce em Paz and Tetete forums in Gurué, as well as with the company AC-Lioma in Gurué and Lozane Farms in Alto Molocue. The IFDC intends to establish partnerships with producer organizations and some commercial agricultural enterprises through 2SCALE, which aims to improve rural livelihoods, nutrition and food security in 12 African countries, helping 1.15 million smallholder families increase their productivity by 100 percent and their net incomes by 30 percent. A key component is the development of a portfolio of 500 robust and viable agribusiness clusters (ABCs) and value chains targeting regional, national and local markets, including commodity and food product markets for base-of-the-pyramid (BoP) consumers. With AgriFUTURO's input, 2SCALE agreed to set up two agribusiness clusters with about 200 small producers each: one with the epicenter in AC Lioma in Gurue District and another concentrated around Lozane Farms in Alto Molocue District.
- **Building relations with Archer Daniels Midland (ADM):** A large, U.S. agribusiness multinational, which first contacted the project a year ago and which is testing out plans to install up to 1 million ha of production in Mozambique and invest in a network of grain elevators around the country. AgriFUTURO organized a tour for Mr. Moacir Martins of potential growing areas, including to project client Kevin Gifford of ASC-Phoenix. In the near term, ADM plans to:
 - Identify roughly 50,000 ha for development of commercial farming in grains and oilseeds
 - Directly manage a 2,000-ha farm at the core, which will concentrate on agricultural research and field training as well as demonstration fields.

- Surround this core area with commercial farms averaging several thousand hectares each.
- **Facilitating linkages between producer association/cooperatives and input providers:** (IKURU and PANNAR) to ensure cooperatives' supply of seeds is of high quality and to encourage establishment of demonstration plots. PANNAR is interested in signing contracts to consolidate partnership agreements with project-supported FOSCS; AgriFUTURO is facilitating a Memorandum of Understanding and several contract agreements between PANNAR and the cooperatives.

3. KEY AGRIBUSINESS GRANTS

Construction projects:

- Sementes Nzara Yapera: Warehouse construction satisfactorily completed and delivery notes signed. Full-scale operation will start in November.
- DANMOZ/Evretz: Equipment is on site and shed construction will begin shortly.
- Dengo Comercial: Assembly of the roof, 70% (\$37,144.50) of the total amount was paid as of June 27, 2013, and the balance will be paid after completion of work at the end of September.
- IKURU: Construction of the office and warehouse still in progress, because Amisse Construções did not comply with the contractual timing terms. The project recommended that IKURU formalize a 45-day extension of the work schedule in August. Failure to meet this deadline resulted in cancellation of the contract with the builder, and a new company will be hired to finish the work.
- UNILURIO: Work completed and reports received. Equipment is being installed, and the laboratory was expected to be operating in August 2013.
- WISSA: Following instructions from the Nampula Governor, the Municipality allocated a new space for the installation of the canteen a few meters along the same street. The canteen construction was finished.

Equipment purchases:

- HORFPEC: Preliminary installation of the irrigation system was completed, although the quality of the work was not satisfactory. Supplier IDE agreed to rectify the deficiencies.
- AgroPecuaria de Manica: The food processor granted is not operational due to absence of electrical connection. Inspection of new power installation was already done by *Electricidade de Moçambique* (EDM) and the ASC expects to have electricity within next quarter and to commence trial operation of its AgriFUTURO-funded processing facility.
- GRAMITER: The machine for pre-processing of grains is not working, because there is no electricity in the area. The power company EDM had a project to install electricity in Muriaze, but they stopped 3 km from where the warehouse and the machine are located. Gramiter is searching for alternatives to install and operationalize the equipment.
- ISPM: Laboratory equipment granted is on site. Installation pending arrival of chemical agents.

Results of the monitoring visits to grantees:

- CISTER: All equipment granted is working and in very good condition.
- KKU Cooperative: The cooperative is not operational due to financial problems. Granted materials will be repossessed except for one motorcycle, one computer and minor materials.
- NJERENJE: Equipment granted in satisfactory condition and operational.
- OKHALIHERA: The Company is no longer operational due to financial problems. A monitoring visit failed to locate two of the six threshing machines granted.

- OLINOTU: All equipment granted is working and in good condition.
- PHOENIX: The granted tractor and planter are in satisfactory conditions and operational.
- Prio Foods: The parent company is downsizing its operations in Mozambique. AgriFUTURO is facilitating purchase of its donated equipment to other interested entities.
- VINSON G&G: Original recipient entity dissolved; will confirm current legal status of equipment.

4. VALUE CHAIN HIGHLIGHTS

4.1 SOYBEAN VALUE CHAIN

Beira Corridor

During FY13, soybean farmers increased production volumes from last year: from an average of 500 kg/ha to 800 kg/ha, which resulted in total production of 750 tons against 350 tons last season. In Manica, prices dropped from last year's average of 20 Mts/kg to 15 Mts/kg. Additionally, the usual main buyer, Abilio Antunes, had purchase contracts with producers from Angonia region in Tete and Zambezia High Valley. However, with AgriFUTURO support, producers from Manica region were able to market nearly 154 tons of soybeans valued at US\$376,850 to SENWES, another important buyer in this region. Overall, in spite of low prices producers were able to sell all soybean production through the association for US\$408,294 and BOM bank also facilitated the process by lending money to the associations on time, ensuring no side sales.

Table 8 summarizes last sales observed between July and September within SIWAMA association. In Mossurize FOSC sales took place, but were not captured because most of the producers sold soybeans outside of the association. Cross-border trade was observed with Zimbabwe, but it was not possible to record the values and volumes exported.

TABLE 8. SUMMARY OF SOYBEAN ACTIVITIES, IN BEIRA CORRIDOR, JULY-SEPTEMBER FY13

District/Province	Number of Producers			Soybean Performance			
	Male	Female	Total	Area planted (ha)	Real Production (in tons)	Volume of Sales (in tons)	Value of sales in USD
SIWAMA FOSC	7	2	9	54	54	154	\$ 76.850
Mossurize FOSC	864	170	1034	300	NA	NA *	0
Total	871	172	1043	354	54	154	\$ 76.850

Source: AgriFUTURO, October 2013. Sales observed but the field technician was unable to record.

Nacala Corridor

A total of 2,562 tons of soybeans were marketed for US\$1,328,589. This activity involved various stakeholders in the soy chain such as: CAL in Nampula Province and Lozane Farms, Rei de Agro, Africa Century in Zambezia Province. Production this year was based in pre-awarded contracts.

TABLE 9. SOYBEAN PERFORMANCE INDICATORS, NACALA CORRIDOR, JULY-SEPTEMBER, FY13

District/Province	Number of Producers			Soybean Performance			
	Male	Female	Total	Area planted (ha)	Production (in tons)	Volume of Sales (in tons)	Value of sales in US\$
CAL	495	29	594	218	209	209	125,437
Lozane Farms	82	326	408	418	376	-	225,720
Rei de Agro	4	56	60	950	892	-	505,495
Africa Century	580	370	950	1,300	1,220	-	691,730
Total Zambezia Province	1,161	781	2,012	2,886	2,697		1,548,382

Source: AgriFUTURO, October 2013.

4.2 GROUNDNUTS VALUE CHAIN

Nacala Corridor

This crop includes the contributions of IKURU, GANI COMERCIAL, and OLINOTU, in Nampula Province and MADAL and ACOF, both companies based in Zambezia Province. In total 1,760 tons of groundnuts were marketed for US\$1,333,328. Volumes were traded within the association linked to cooperatives with contracts with Gani Comercial, IKURU and some local buyers.

4.3 SESAME VALUE CHAIN

Beira Corridor

Irregular rainfall, aggravated by flea beetles, reduced productivity of the crop and most producers located in Dombe and Barue recorded losses, with price ranging between 35 Mts/kg and 45 Mts/kg.

Nacala Corridor

Main buyers Export Marketing, IKURU, OLAM and CAL bought 451 tons.

4.4 PULSES VALUE CHAIN

Beira Corridor

No significant farmer interest among our client farmers in pulses in this area during the quarter. This is being actively worked on to change attitudes going forward.

Nacala Corridor

Cowpeas: 555 tons marketed for US\$153,102 from farm associations, who negotiated with local producers (Gani Comercial, Casa Salvador).

4.1 FRUIT VALUE CHAIN

Beira Corridor

Banana

In Manica Province, 90 producers from the associations of Agro-Pecuária Chiringazou (posto de Messica), Agro-Pecuária 7 de Abril Association, and Camponeses de Nhambe-Belas (posto de Vanduzi) are expected to produce approximately 110 ha bananas. AgriFUTURO identified 10 producers from Kugarike Tangue Nhamo Association in Mavonde with irrigation systems and interest in producing bananas.

Mango: This quarter it was not possible to monitor activities under this value chain.

Nacala corridor

Pineapple

- AgriFUTURO helped finalize the business plans for the smallholder farmer associations' in Nicoadala District in Zambezia Province. The key is for them to produce in the off-season and thus enjoy much higher income per unit produced relative to production in the peak season (an anticipated ten-fold increase). To achieve this will require an irrigation program, which AgriFUTURO, in partnership with iDE, is helping roll out with a demonstration irrigation plot and assistance to farmers seeking funding for wells.
- AgriFUTURO helped establish demo plots for irrigation in partnership with iDE for two pineapple producer associations (Agrofruta and Apronaz) producing domestic pineapple (abacaxi) in Nicoadala District. The project assessed the potential to establish a demonstration plot with an irrigation system to boost yields and enable off-season production when market prices are much higher than in season. iDE provided the equipment for irrigation and AgriFUTURO paid for implementation of the project and also provided support in plot design and initial planting.
- AgriFUTURO facilitated presentation of business plans of the group of smallholder producers of pineapple in Nicoadala to PRSP II Program in Quelimane. As a result, at least four producers will get PRSP support to pursue pineapple production.
- Discussions continue with MBFI of the Mocuba area to develop an MD2 commercial pineapple operation. AgriFUTURO arranged with Dole Fresh Fruit Company to send two Mozambican technicians to a month-long training program in Central America.
- Plants at the Multifrutas MD2 pineapple nursery in Nampula are approaching the stage where planting material for subsequent generations can be harvested as planned.

Banana

- AgriFUTURO assisted Matanuska with its plan to gain GlobalGAP certification, allowing the company to export to European markets without restrictions and sell for higher prices. These preparations included GlobalGAP training for 240 workers, as well as construction of required infrastructure, including a pack-house, workers rest rooms, and showers for workers. The project assisted Matanuska to organize important documents to test and comply with banana residue level analysis (MRL), water risk assessment and portability analysis, microbial water analysis, water treatment procedures in the packing facilities, rodent bait stations/traps, water source for irrigation (licensing and water rights), ensure correct product usage. AgriFUTURO also provided technical assistance to Matanuska to produce technical information related to banana blocks grades. This standard procedure contributes to the final quality of the bananas to be exported and will prevent premature ripening.
- In Manica Province, AgriFUTURO assisted the small banana producer project with selection of blocks of soils and the water sources, met with 15 smallholder banana producers, and visited the area and the water facilities. The rapid assessment concluded that: the land has very good soil (sandy clay loam), the water source is reliable, the producers already have the banana sucker to plant and will start planting soon after cleaning and preparing the land. A technical banana plantation guide was prepared for smallholder farmers.
- At Jacaranda farm, the project provided technical assistance to start a fertilizer program to reduce cost and apply fertilizer when necessary according with the fruit and soil requirements.

4.2 CASHEW VALUE CHAIN

Total sales from smallholder producers of 56,467 tons were marketed for US\$18,822,366 to cashew processing companies. AgriFUTURO is working closely with four cashew processing companies to improve quality; as seen in Table 10, Condor Nuts has been most responsive.

TABLE 10. QUALITY PROCEDURES CONDUCTED IN NACALA CORRIDOR DURING JULY –SEPTEMBER, FY13

Quality procedures in place	Condor Nuts	Caju Ilha	Caju Angoche	Korosho	Total
No. of procedures in place	62	0	0	0	In total 62 quality procedures in place
Total of Implemented Operating Procedures	27	0	0	0	A total of 27 operational procedures have been implemented
Number of internal audits conducted	1	0	0	0	Condor Nuts undertook an internal audit.
Corrective action in place	2	1	1	1	Total of 5 corrective actions in place, two at Condor Nuts.

Source: AgriFUTURO, October 2013.

5. MAJOR IMPLEMENTATION ISSUES AND LESSON LEARNED

AgriFUTURO lost three M&E assistants (in Maputo, Zambézia, and Nampula) in FY13. During the last quarter, the project lost field staff, which delayed implementation of some project components. Project management assigned those responsibilities temporarily to other senior staff, while recruiting to fill the gaps. The project hired the following short-term consultants: Ivania Culpa, business advisor for pineapple (August to October 2013); Herculano Ossufo, assistant to cooperatives; Abdul Mussama, assistant to FOSCs and ASCs; Mines Miguel, M&E consultant (August-November 2013); Estevão Fraqueza, (September-October 2013).

5.1 MAJOR IMPLEMENTATION ISSUES RELATED TO M&E:

During FY13, there were several communications with USAID concerning AgriFUTURO's reporting of new versus continuing results for different indicators in the PMP. AgriFUTURO was asked to adopt Feed the Future (FTF) indicators beginning with the first quarter of U.S. FY 2012. By then the project had been implementing for 29 months of a 46-month contract (later, in February 2013, USAID approved an 11-month extension). FTF required specific results indicators which were mostly similar to ones already used by AgriFUTURO program. However, some definitions of these indicators changed significantly. Below, the project presents information on how these changes affected reporting:

New jobs created

- The original PMP counted "new jobs created" as anyone working (short- or long-term) for a firm or other project beneficiary. The FTF definition required calculation of Full Time Equivalent (FTE) jobs by summing the months of employment and dividing by 12. As it was not possible to go back and recalculate the number of jobs reported during the previous 29 months using the FTF definition, USAID and AgriFUTURO agreed to simply count the total number previously reported as if they had been FTEs. USAID and AgriFUTURO agreed that it did not make sense to delete the number of jobs previously reported, since USAID resources had been used to generate this employment.
- AgriFUTURO was instructed to cease activities in one geographic region and begin them in another, and to drop the corn and forestry value chains supported during the first 29 months of the project. The project had already reported results corresponding to this geographic region and for these value chains, so USAID agreed AgriFUTURO should continue to include them as base numbers in future reporting.
- FTF's jobs indicators draw a distinction between "new" and "continuing" jobs in order to record sustainable employment—a job that continues from one reporting period to the

next. Under AgriFUTURO, this type of employment is typically found on large banana plantations, which offer a number of permanent jobs. Yet it does not fit the realities of employment created under the other value chains. Farmers of grains, oilseeds, cashews, and mangoes hire labor mainly for short periods to help with land preparation, seed planting, and harvesting. Some part-time employment is also generated to help with weed and pest control and post-harvest handling. It is possible at the end of an annual reporting period to compare the total FTEs generated for all quarters with the previous year's to obtain the number of increased FTEs generated by the project. But it is extremely difficult to know how many of these jobs are "continuing." This difficulty is compounded because prior to FY12, AgriFUTURO counted number of people employed, not FTEs, so cannot simply total current FTEs to compare with the past. Thus the project reports the sum of all prior year jobs as "continuing" and adds the total of new FTEs generated in the current reporting year.

- At the end of June 2013, the ATB M&E advisor instructed AgriFUTURO to take a "snapshot" of the number of FTEs each quarter; the difference between the quarterly totals would represent either a positive or negative number for "new" jobs. However, the first FY quarter may show a high number due to land preparation and planting, and the second quarter a much lower number. But the difference between quarters does not mean that there is a reduction in the number of jobs. Once these numbers are summed at year's end, then they can be compared with the previous year to obtain "new" versus "continuing."
- If it had been approved by USAID, and we had been able to recalculate all previously reported jobs reported using the FTE requirement, we could have compared the change in the total FTEs in the first quarter of the current FY with the first quarter of the previous FY to show the quarterly increase or decrease. But at this stage in the project, and to remain consistent with the ADS data quality requirement for reliability, we have continued to report on jobs as we have in the past.

Rural households benefiting

- USAID and AgriFUTURO agreed to use the same methodology for calculating continuing and new rural households benefiting as was adopted for counting jobs created. Most of the households benefited are members of assisted farmer associations. Membership is fairly stable, and most new rural households that have been reported are due to the inclusion of new associations, which is why the number of new households is consistently positive.
- However, the "continuing" numbers and targets we have reported have included rural households that benefited under the maize and forestry value chains and in the geographic area that was discontinued in FY 2012. In hindsight, as the indicator definition is households "benefiting" not households "benefited," we should have omitted results corresponding to these discontinued groups, but AgriFUTURO and USAID agreed to include them. This causes the targets to be overstated in comparison with the results now being reported using the snapshot methodology.

Enterprises receiving business development services

- The indicator is also hampered by counting enterprises benefited in the discontinued value chains and geographic areas, which also affects the targets. As an interesting side comment on data collection anomalies for future consideration under FTF, AgriFUTURO also notes that a project objective should be to graduate enterprises from USAID assistance, but this indicator, defined to count only enterprises being actively assisted, requires that they be dependent on that assistance to the end of the project.

Number of hectares under improved technologies or management practices as a result of AgriFUTURO assistance; and Number of farmers and others who have applied new technologies or management practices as a result of USG assistance:

- These new indicators were added to our PMP, approved in July 2012. The project reports on three types of technologies: improved seeds, mechanization and inoculants. Seeds are

planted in the first and second quarters of the fiscal year, depending on the crop. So we can expect positive numbers for “new” in these quarters and zeros in the others. Some hectares planted with improved seeds in the previous year may not use them in the current year, so the “continuing” number would decline. AgriFUTURO thus calculates the number of hectares using improved technologies by dividing the total volume of seed sold to the associations by the quantity to be planted per hectare. The number of farmers using the technology is based on the number provided with the seeds. We count as continuing the total number of hectares and farmers from the previous year, and as new the incremental number in the current year.

In summary, changes in reporting methodology have challenged the process of collecting and reporting results for FY2013, especially as field staff has been substantially reduced as the project enters its final months and staff leave for other jobs. We greatly appreciate USAID’s acknowledgements of these constraints and collaboration to achieve satisfactory proxy methodologies.

5.2 LESSONS LEARNED

Successful approaches and opportunities

- Regional workshops identified constraints prioritized by our beneficiaries: access to finance, lack of business management skills, need for equipment and tools to expand production/productivity. Based upon their feedback, we designed a focus program for over 230 people in the two corridors as well as linkages facilitation, which generated multiple business deals—most notably, with FinAgro, GAPI, BOM, Tillers.
- Small, women-owned business such Wissa and Gramiter generated good results; future projects should explore working with small women-owned agribusiness retail in peri-urban and urban areas.
- With project support and connections, small and medium agribusiness trading companies/aggregators—like ACOF of Olinda Fondo—established mutually beneficial relationships with emerging farmers, providing them services, buying their produce and reselling to large traders.
- Giving credits as liquidity to cooperatives/associations increased impact for smallholder farmers by providing buyers for their production.
- Strengthening relationships with the banks helped them develop trust for building a sustainable system of lending.
- Technology needs to fit the farmer’s situation, including type of crop, size of the farm, and distance from services. Donkeys were more popular among small-scale female farmers, while oxen make more sense for those cultivating large areas, and tractors were most appropriate for large enterprises (including emerging farmers).
- Farmers who adopted irrigation methodologies facilitated by the project now have the ability to grow off-season produce and take advantage of high prices.

Cautionary tales

In particular case of grants, contractors often did not performed as scheduled, and indeed sometimes did not finish construction, leading to delays and schedule changes. The project terminated the contract with Amisse Construction and extended the period of performance for Dengo Comercial and DanMoz. AgriFUTURO recommends future projects be equipped with stronger enforceable/penalty clauses and performance basis bonds.

ANNEX A: PERFORMANCE INDICATORS

TABLE 11. FY2013 PERFORMANCE INDICATOR TABLE

ANNEX A: PERFORMANCE INDICATORS									
		FY 2013							
INDICATORS AND DISAGGREGATION	FY12	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	FY 13 Explanation
Private Investment Mobilized (US\$)									
New		\$599,980	\$2,958,413.80	\$1,143,855	\$1,567,671	\$6,269,920	\$20,051,000	31%	Targets have been reduced substantially because of : <ul style="list-style-type: none">- Slowdown of investments in banana sector and other fruits (mangoes in particular because of fruit fly issues).- Expected investments in fruits did not come at the pace expected.- Most investments come from soybeans, sesame, and cashew value chains.- Additional investments come from warehouse construction and seed processing unit by Dengo Comercial.- And Sementes Nzara Yapera invested in payment of labor and purchase of inputs for the agricultural cycle 2013-2014.- ASC-Phoenix purchased soybeans from the emerging farmers and smallholders working within its hub.
New Jobs Created									
Total Full time equivalents	27,325	1,003	536	3,222	3,081	7,842	29,743	26%	<ul style="list-style-type: none">- The numbers of jobs created are across value chains.- The number jobs created is one of the most challenging indicators for the project. The project changed methodology of collection in Q3 and Q4 and this had impacted negatively the reported numbers.- For Q3 and Q4 a snapshot was used as an agreed methodology. The resulted from FY13 was subtracted with the FY12 figures to get the new jobs.- Most jobs come from cashew processing and bananas, and from marketing activities under
Male & Female New	11,212					0	2,418	0%	
Male & Female Contin.	16,113					7,842	27,325	29%	
Male	18,286	481	284	1,860	1,693	4,318	20,137	21%	
New	6,001					0	1,851	0%	
Continuing	12,285					4,318	18,286	24%	
Female	9,039	522	252	1,362	1,388	3,524	9,606	37%	
New	5,211					0	567	0%	
Continuing	3,828					3,524	9,039	39%	

ANNEX A: PERFORMANCE INDICATORS									
INDICATORS AND DISAGGREGATION	FY12	FY 2013							FY 13 Explanation
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	
									management of the associations. - Comparing the result with the target for FY13 only 26% of the target was achieved.
Value of targeted exports (US\$)									
<i>International Exports</i>									
Soybean		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sesame		\$700,200	\$0	\$0	\$112,000	\$812,200	\$5,278,000	15%	Value of export of sesame only 15% of the total target was achieved. The main reason behind the changes: - Decrease in volume of sesame production in general due to flea beetle that contributed to reduced yields and revenues from sesame. - The losses were significant in Beira Corridor as a result the value of US\$812,200 exports reflects exports from the Nacala Corridor.
Groundnut		\$325,000	\$0	\$0	\$0	\$325,000	\$742,950	44%	Groundnuts exports are only from Nacala Corridor during Q1 of FY13, The major contribution of exports will come next quarter (Q1 of FY14).
Banana		\$0	\$0	\$6,897,403	\$4,726,612	\$11,624,015	\$30,319,703	38%	FY13 counts exports from two banana producers, Jacaranda and Matanuska, and Enica still pending decision on what to do.
Mango		\$0	\$0	\$0	\$0	\$0	\$89,692	0%	New export of mangoes will start Dec-Jan.
Pigeon peas		\$0	\$0	\$0	\$0	\$0	\$90,675	0%	These are new value chains adopted in FY2012 and exports have been slow to start.
Cow peas		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Butter Beans		\$0	\$0	\$0	\$0	\$0	\$72,540	0%	
Cashews		\$4,011,206	\$1,108,406	\$6,239,653	\$5,788,262	\$17,147,527	\$8,517,883	201%	Most cashew exports occur during Q3 and Q4 of FY13. Only figures from the three factories that AF is currently supporting are reported: MAP, Condor Nuts, Caju Ilha-Angoche, Caju Ilha-Lumbo and Korocho. Exports were over double the targeted value.

ANNEX A: PERFORMANCE INDICATORS									
INDICATORS AND DISAGGREGATION	FY12	FY 2013							FY 13 Explanation
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	
TOTAL		\$5,036,406	\$1,108,406	\$13,137,056	\$10,626,874	\$29,908,742	\$45,111,000	66%	Overall regional exports reached 66% of the target due to low sesame exports, and lack of banana data for Q1 and Q2.
<i>Regional Exports</i>									
Soy Bean		\$0	\$0	\$0	\$0	\$0	\$0		
Sesame		\$0	\$0	\$185,000	\$0	\$185,000	\$150,000	123%	
Groundnut		\$22,413	\$0	\$525,000	\$23,200	\$570,613	\$1,224,920	47%	The project assisted in the establishment of the groundnut industry in Zambezia Province by partnering with MADAL-SAG to introduce new varieties of groundnuts. Exports are expected during Q1 FY14.
Banana		\$0	\$0	\$62,500	\$125,000	\$187,500	\$500,000	38%	Some regional exports to Zambia by AGRIZA in Manica Province took place.
Mango		\$0	\$0	\$89,000	\$0	\$89,000	\$296,768	30%	
Pigeon peas		\$0	\$0	\$0	\$0	\$0	\$204,750	0%	
Cow Peas		\$0	\$0	\$0	\$0	\$0	\$0		
Butter Beans		\$0	\$0	\$0	\$0	\$0	\$163,800	0%	
Cashews		\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL		\$22,413	\$0	\$861,500	\$148,200	\$1,032,113	\$2,540,000	41%	
Volume of targeted exports (in Tons)									
<i>International Exports</i>									
Soybean		0	0	0	0	0	0	0%	
Sesame		318	0	123	80	521	4,590	11%	
Groundnut		200	0	730	0	930	413	225%	
Banana		0	0	10,056	7,229	17,285	71,365	24%	
Mango		0	0	0	0	0	104	0%	
Pigeon peas		0	0	0	0	0	91	0%	
Cow peas		0	0	0	0	0	0		
Butter Beans		0	0	0	0	0	54	0%	
Cashews		495	138.85	689	623	1,945	851	229%	
<i>Regional Exports</i>									
Soybean		0	0	0	0	0	0	0	
Sesame		0	0	123	0	123	150	82%	
Groundnut		10	0	730	37	777	941	83%	
Banana		0	0	78	125	203	370	55%	
Mango		0	0	89	0	89	330	27%	
Pigeon peas		0	0	0	0	0	205	0%	

ANNEX A: PERFORMANCE INDICATORS									
INDICATORS AND DISAGGREGATION	FY12	FY 2013							FY 13 Explanation
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	
Cow peas		0	0	0	0	0	0	0	
butter Beans		0	0	0	0	0	121	0%	
Cashews		0	0	0	0	0	0	0	
# of rural HH benefitting directly from USG interventions									
Total RRHHs benefited (FY 2010-2013)	132,326		45,317	47,985	48,709	48,709	135,457	36%	Number of households (HH) decreases as result of: - Termination of projects implemented by partners such as NORAD, Gates soybeans in Zambezia Province. - With end of MYAPs programs the project lost some districts where AF was working with SANA project in Nampula Province. - However, it worth to mention that in Q3 new associations joint ADRA in Mocuba District of Zambezia Province.
Male & Female New	63,982		7,724	3,049	4,096	4,096	3,131	131%	
Male & Female Contin.	68,344		37,593	44,936	44,613	44,613	132,326	34%	
Male Total	63,960		52,660	31,641	32,371	32,371	66,306	49%	
New	22,371		5,223	1,856	2,697	2,697	2,346	115%	
Continuing	41,589		24,754	29,785	29,674	29,674	63,960	46%	
Female Total	68,366		34,205	16,344	16,338	16,338	69,151	24%	
New	41,611		2,501	1,193	1,399	1,399	785	178%	
Continuing	26,755		12,839	15,151	14,939	14,939	68,366	22%	
Value of sales (collected at farm level) (US\$)									
Soybean		\$92,530	0	\$2,757,081	\$1,405,439	\$4,255,049	\$8,825,926	48%	Associations working under the FOSC approach have improved the quality of grain sold and are able to negotiate the price with buyers, so smallholders received more within the associations. In addition, AgriFUTURO, partnering with the associations in Beira Corridor, facilitated purchase contracts for maize produced by smallholders, but we don't capture the results from maize value chain.
Sesame		\$8,300	0	\$1,001,231	\$762,935	\$1,772,466	\$2,925,083	61%	
Groundnut		\$15,367	0	\$425,792	\$1,333,328	\$1,774,487	\$2,343,044	76%	
Cashew		\$285,483	\$39,655	\$0	\$18,822,366	\$19,147,504	\$10,043,000	191%	
Mango		0	0	\$35,000	\$0	\$35,000	\$52,500	67%	
Pineapple dom.		\$6,034	\$0	\$0	\$0	\$6,034	\$0	\$0	
Banana		\$0	\$0	\$58,400	\$32,000	\$90,400	\$156,000	58%	
Pigeon Peas		\$248.27	0	\$0	\$185,224	\$185,472	\$255,250	73%	
Cow peas		\$289.65	0	\$73,054	\$153,102	\$226,446	\$437,450	52%	

ANNEX A: PERFORMANCE INDICATORS									
		FY 2013							
INDICATORS AND DISAGGREGATION	FY12	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	FY 13 Explanation
Butter Beans		\$0.00	0	\$58,407	\$0	\$58,407	\$255,800	23%	
TOTAL		\$408,251.49	\$39,655	\$4,408,964	\$22,694,394	\$27,551,265	\$25,294,053	109%	The total target was exceeded by 109%. Associations and their members have contributed with the sales of cashew to processing factories.
Volume of sales (collected at farm level) (in Tons)									
Soybean		142	0	6,398	2,716	9,256	11,624	80%	
Sesame		8	0	623	476	1,107	2,817	39%	
Groundnut		15	0	581	1,760	2,356	1,990	118%	
Cashew		686	115	0	56,467	57,268	19,725	290%	
Mango		0	0	70	0	70	368	19%	
Pineapple dom.		1	0	0	0	1	0		
Banana		0	0	146	80	226	240	94%	
Pigeon peas		1	0	35	470	506	620	82%	
Cow peas		1	0	114	555	670	903	74%	
Butter Beans		0	0	51	0	51	552	9%	
# of enterprises receiving business development services									
Total # of enterprises	4,721			1,469	1,483	1,483	4,790	31%	In Nacala corridor: - The project assisted 82 EF in Nampula working with CAL and in Gurue-Zambézia 12 working under the new program Promac. - Private entrepreneurs assisted include: Olam, Export Marketing, Wissa, Gramiter, MAP, Condor cajú, Condor nuts, Caju ilha, Caju lumbo, Korosho, King Frango. And - Input Suppliers: IKURU, Lozan farm, Cister, SDAE Molocue, SDAE Gurue, Rei Agro, Africa Centery, Madal, ACOF, CAL and Olinotu.
EF Total (new & cont.)	442			241	241	241	454	53%	
New	100				0	0	12	0%	
Continuing	342				0	241	442	55%	
FA (FA w/i FOSC) Total (new & cont.)	4,251			1,190	1,204	1,204	4303	28%	
New	1,666				0	0	52	0%	
Continuing	2,585				0	1,204	4,251	28%	
Processors Total (new & cont.)	12			12	12	12	14	86%	
New	6				0	0	2	0%	
Continuing	6				0	12	12	100%	
Input suppliers Total (new & cont.)	16			26	26	26	19	137%	
New	11				0	10	3	333%	
Continuing	5				0	16	16	100%	
Value Agricultural loans									
Total Value Agricultural loans		\$450,500	\$217,744	\$320,992	\$37,849	\$1,027,085	\$3,239,616	32%	Nacala Corridor: - Loans not backed by DCA are in the majority, indicating an emerging relationship between the buyer (and
Backed by DCA		\$21,241	\$76,695	\$78,635	\$10,344	\$186,915	\$1,393,552	13%	
Male loan recipient		\$19,241	\$75,501	\$78,635	\$10,344	\$183,721	\$996,449	18%	

ANNEX A: PERFORMANCE INDICATORS									
		FY 2013							
INDICATORS AND DISAGGREGATION	FY12	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	FY 13 Explanation
Female loan recipient		\$2,000	\$1,194	\$0	\$0	\$3,194	\$397,103	1%	<div>sometimes the financier) and sellers.</div> <div><div>- Gani Comercial, IKURU and other local traders advanced funds to the associations for marketing activities.</div><div>- Formal lending using banks and DCA performed better this year as a result of the AgroCredito initiative, promoted by the project since April 2013.</div></div>
Not backed by DCA		\$429,259	\$141,049	\$242,357	\$27,505	\$840,170	\$1,846,064	46%	
Male loan recipient		\$420,672	\$129,789	\$242,357	\$24,805	\$817,623	\$1,240,066	66%	
Female loan recipient		\$8,587	\$11,260	\$0	\$2,700	\$22,547	\$605,998	4%	
# of public-private partnerships formed as a result of AgriFUTURO assistance									
Total PPPs (excluding public)		1	1	1	0	3	4	75%	
ASC		0	0	0	0	0	1	0%	
FOSC		1	0	0	0	1	0	#DIV/0!	
GDA w/Private Co		0	0	0	0	0	0	#DIV/0!	
Financial: DCA		0	0	0	0	0	1	0%	
Financial: non-DCA		0	1	1	0	2	2	100%	
Public Org		0	0	0	0	0	3	0%	
# of hectares under improved technologies or management practices as a result of USG assistance									
Total # of ha improve. Seeds (new & cont.)	44,382			14,272	14,272	14,272	29,826	48%	
Male & female new	25,262				0	0	6,468	0%	
Male & female Contin.	19,120					14,272	44,382	32%	
Male Total	31,221			10,182	10,182	10,182	35,565	29%	
New	18,237				0	0	4,344	0%	
Continuing	12,984					10,182	31,221	33%	
Female Total	13,161			4,090	4,090	4,090	15,285	27%	
New	7,025				0	0	2,124	0%	
Continuing	6,136					4,090	13,161	31%	
Total # of ha mechanization (new & cont.)	9,172			2,798	3,608	3,608	6,302	57%	
Male and female new	4,870				0	-	1,746	0%	
Male & female Contin.	4,302				0	3,608	9,172	39%	
Male Total	6,884			2,554	3,364	3,364	8,197	41%	
New	3,963				0	0	1,313	0%	
Continuing	2,921					3,364	6,884	49%	
Female Total	2,288			244	244	244	2,721	9%	
New	907				0	0	433	0%	

ANNEX A: PERFORMANCE INDICATORS									
INDICATORS AND DISAGGREGATION	FY12	FY 2013							FY 13 Explanation
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	
Continuing	1,381					244	2,288	11%	
Total # of ha using inoculants	3,466			1,410	1,410	1,410	2,912	48%	
Male and female new	1,261				0	-	495	0%	
Male & female Contin.	2,205				0	1,410	3,466	41%	
Male Total	2,659			1,234	1,234	1,234	3,065	40%	
New	1,114				0	0	406	0%	
Continuing	1,545					1,234	2,659	46%	
Female Total	807			176	176	176	896	20%	
New	147				0	0	89	0%	
Continuing	660					176	807	22%	
Total # of ha with one or more technology/mgmt practice	44,382			14,272	14,272	14,272	29,826	28%	
Male and female new	25,262				0	0	6,468	0%	
Male and female cont.	19,120				0	14,272	44,382	32%	
Male Total	31,221			10,182	10,182	10,182	35,565	29%	
New	18,237				0	0	4,344	0%	
Continuing	12,984					10,182	31,221	33%	
Female Total	13,161			4,090	4,090	4,090	15,285	27%	
New	7,025				0	0	2,124	0%	
Continuing	6,136					4,090	13,161	31%	
# of private enterprises and producers organizations that applied new technologies or management practices									
Total # organizations	4,694			1,327	1,327	1,327	4,770	28%	Nacala Corridor: <ul style="list-style-type: none"> - New technologies includes: harvesting and post-harvest technology (construction of improved silos), - Use of multi-cultivators, and - Use of new storage techniques, - Mechanical de-shelling and cleaning machine and - Use of animal attraction.
EF Total (new & cont.)	420			101	101	101	438	23%	
New	78				0	0	18	0%	
Continuing	342				0	101	420	24%	
FA (FA w/i FOSC) Total (new & cont.)	4,251			1,190	1,190	1,190	4,303	28%	
New	1,666				0	0	52	0%	
Continuing	2,585				0	1,190	4,251	28%	
Processors Total (new & cont.)	7			12	12	12	10	120%	
New	1				0	5	3	167%	
Continuing	6				0	7	7	100%	
Input suppliers Total (new & cont.)	16			24	24	24	19	126%	
New	11				0	8	3	267%	
Continuing	5				0	16	16	100%	

ANNEX A: PERFORMANCE INDICATORS									
		FY 2013							
INDICATORS AND DISAGGREGATION	FY12	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	TOTAL FY2013	Targets FY2013	% Target to Date	FY 13 Explanation
# of farmers and others who have applied new technologies or management practices as a result of USG assistance									
Total applying tech. (new & cont.)	115,178			52,628	45,362	52,628	125,006	42%	Use of improved silos, post-harvesting techniques.
Male and female new	71,976					0	9,828	0%	
Male and female cont.	43,202					52,628	115,178	46%	
Male Total	72,936			34,925	30,494	34,925	79,473	44%	
New	43,424					0	6,537	0%	
Continuing	29,512					34,925	72,936	48%	
Female Total	42,242			17,703	14,868	17,703	45,533	39%	
New	28,552					0	3,291	0%	
Continuing	13,690					17,703	42,242	42%	
# of members of cooperatives and farmers associations (Feed the Future definition)									
Total Male & Female	98,413			46,787	47,328	47,328	99,000	48%	Some farmer associations were no longer assisted because the level of field activities decreased as project begins to wind down.
# Males	60,182			31,041	31,390	31,390	60,500	52%	
# Females	38,231			15,746	15,938	15,938	38,500	41%	
# of members of legalized cooperatives and farmers associations (ATB definition)									
Total Male & Female	32,726			20,687	20,869	20,869	33,000	63%	
# Males	20,616			12,202	12,324	12,324	21,000	59%	
# Females	12,110			8,485	8,545	8,545	12,000	71%	
Number of policies, regulations, administrative procedures:									
Analyzed		0	0	0	0	0	4	0%	
Presented consult.		0	0	0	0	0	4	0%	
Presented enactment		0	0	0	0	0	2	0%	
Approved		0	0	0	0	0	2	0%	
Implem. begun		0	0	0	0	0	4	0%	
Gross margins per hectare for emerging farmer crops									
Soybeans		N/A		0	0		\$560	0%	
Groundnuts		N/A		0	0		\$440	0%	
Sesame		N/A		0	0		\$195	0%	

ANNEX B: SUCCESS STORY



USAID
FROM THE AMERICAN PEOPLE

AGRIFUTURO
Agribusiness Competitiveness

FIRST PERSON

Bigger harvests, surer markets for emerging farmers network

Agribusiness Service Cluster and support from USAID helps emergent farmers boost yields



Photo: Abi Associates

"USAID taught me that before I produce anything, I must have a contract... Now I organize the market for the farmers I assist!"

—Peter Waziweyi, right, owner of Nzara Yaperu or "Fight Hunger" with his wife Elizabeth in one of their fruit nurseries in Barue District of Manica Province.

When he first connected with USAID's AgriFUTURO project in 2011, Mr. Peter Waziweyi—a commercial farmer in Manica Province in Mozambique since 1995—was struggling to expand his operations. Today he has a network of 12 "emerging farmers," and everyone's yields have soared. Mr. Waziweyi is now buying and selling soybeans, maize and beans from a production area that has grown nearly tenfold, from 7.5 ha in 2011 to 73.5 ha in 2013.

How did they do it? AgriFUTURO helped Mr. Waziweyi to improve his own yields, and encouraged him to mentor 12 neighboring farmers, building their capacity and his own production network. This arrangement, called an agribusiness service cluster (ASC), boosts yields and overall quality through knowledge-sharing while connecting smallholders to active market demand. Mr. Waziweyi's ASC, *Nzara Yaperu* (Fight Hunger) loaned soya, maize and sesame seeds to participating farmers and guaranteed them a market through his commercial contracts.

In 2011, USAID gave Mr. Waziweyi a tractor and seed planter and training in how to best use both. He in turn assisted his ASC farmers with this equipment and know-how, enabling them to dramatically raise yields per hectare. One of the farmers, Mr. Alberto Inoque, tripled his maize harvest from 0.9 tons/ha to 2.8 tons/ha and expanded his cultivated area from 18 ha in 2011-12 to 22 ha in 2012-13.

Mr. Waziweyi collects, stores, and negotiates with buyers for sales contracts. He principally sells his seeds to input trading companies. He continues to work with the ASC's farmers (who in turn support a total of 50 family members) through assistance in land preparation, plowing, sowing, and providing seed on credit and transfer of know-how—a key feature of USAID support.

"USAID taught me that before I produce anything, I must have a contract," Mr. Waziweyi said, recounting how USAID helped him learn to negotiate and make contracts with buyers. "Now I organize the market for farmers I assist!"

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>